

## Message Text

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ACTION EUR-12

INFO OCT-01 EA-12 IO-14 ISO-00 AID-05 CIAE-00 EB-08  
FRB-01 INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06  
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-06  
CEA-01 DOE-11 SOE-02 /133 W  
-----031412 171733Z /47

P R 171512Z JAN 78  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC PRIORITY 2093  
TREASURY DEPT WASHDC PRIORITY  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY TOKYO  
USMISSION GENEVA  
USDOC WASHDC

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USEEC ALSO FOR EMBASSY  
USOECD ALSO FOR EMBASSY  
USMTN

DEPARTMENT PASS FEDERAL RESERVE BOARD

E.O. 11652: N/A  
TAGS: EFIN, UK  
SUBJECT: UK TRADE AND CURRENT ACCOUNT IN DECEMBER 1977

SUMMARY: THE ESTIMATED CURRENT ACCOUNT SURPLUS FELL SHARPLY TO 65 MILLION POUNDS IN DECEMBER FROM NOVEMBER'S 217 MILLION-POUND LEVEL. THE PROVISIONAL SURPLUS FOR 1977 IS 59 MILLION POUNDS COMPARED WITH 1976'S 1227 MILLION-POUND DEFICIT. THE DECEMBER VISIBLE TRADE BALANCE WAS 80 MILLION POUNDS IN DEFICIT, THE FIRST DEFICIT SINCE UNCLASSIFIED

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JULY, COMPARED WITH A 72 MILLION-POUND SURPLUS IN NOVEMBER.

MARKET SOURCES INDICATE THAT THE LOW DECEMBER SURPLUS WAS NOT EXPECTED, THE AVERAGE CURRENT ACCOUNT SURPLUS FOR THE PRECEDING FOUR MONTHS BEING 227 MILLION POUNDS. THE CENTRAL STATISTICAL OFFICE ATTRIBUTES A PART OF THE INCREASE IN IMPORTS TO ERRATIC MOVEMENTS IN THE

LEVEL OF OIL IMPORTS. NET OIL IMPORTS, IN FACT, ROSE 123 MILLION POUNDS IN DECEMBER.

CURRENT ACCOUNT STATISTICS ARE SUBJECT TO SUBSTANTIAL REVISION WITH TIME. A MORE DEFINITIVE ESTIMATE WILL BE THE QUARTERLY ESTIMATE OF THE BALANCE OF PAYMENTS WHICH USUALLY APPEARS TWO MONTHS AFTER A QUARTER'S END. END SUMMARY

1. CURRENT ACCOUNT FOR THE MONTH OF DECEMBER 1977

POUNDS MILLIONS (SEASONALLY ADJUSTED)

INVISIBLE

VISIBLE BALANCE:

BALANCE: SERVICES AND

CURRENT BALANCE	TRADE IN GOODS	OTHER CURRENT TRANSACTIONS
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1976	-1227	- 3571	2344
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1977	59	- 1657	1716
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1977 - I QU.	- 514	- 928	414
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II QU.	- 305	- 723	418
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III QU.	405	- 44	449
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IV QU.	473	38	435 A
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1977 JULY	- 96	- 245	149 B
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AUGUST	286	136	150 B
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SEPTEMBER	215	65	150 B
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OCTOBER	191	46	145 A
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NOVEMBER	217	72	145 A
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DECEMBER 65 - 80 145 A

A - THESE FIGURES ARE OR INCLUDE PROJECTIONS AND ARE SUBJECT TO REVISION AS INFORMATION BECOMES AVAILABLE.

B - ONE-THIRD OF THE APPROPRIATE CALENDAR QUARTER'S ESTIMATE. MONTHLY FIGURES OF INVISIBLES ARE NOT AVAILABLE.

2. VISIBLE TRADE ON BALANCE OF PAYMENTS BASIS

POUNDS MILLIONS

EXPORTS(FOB) IMPORTS(FOB) VISIBLE BALANCE

1976	25416	28987	- 3571
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1977	P 32174	33831	- 1657
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1977 - I QU. R	7457	8385	- 928
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II QU. R	8055	8778	- 723
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III QU. R	8423	8467	- 44
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IV QU. R	8239	8201	38
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1977 JULY R	2733	2978	- 245
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AUG. R	2796	2660	136
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SEPT. R	2894	2829	65
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OCT. R	2771	2725	46
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NOV. R	2650	2578	72
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DEC. P	2818	2898	- 80
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P - PROVISIONAL; R - REVISED ESTIMATES

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AMEMBASSY TOKYO

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USDOC WASHDC

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### 3. INVISIBLE TRADE

	SEASONALLY ADJUSTED VALUES		POUNDS MILLIONS
	CREDITS	DEBITS	INVISIBLE BALANC
1976	14016	11672	2344
1977 - I QU.	3752	3338	414
II QU.	3877	3459	418
III QU.	4024	3575	449
1977 OCTOBER			145 (1)
NOVEMBER			145 (1)
DECEMBER			145 (1)

(1) - THESE FIGURES ARE PROJECTIONS AND ARE SUBJECT TO REVISION AS THE RELEVANT STATISTICAL INFORMATION BECOMES AVAILABLE.

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## 4. EXPORT AND IMPORT UNIT VALUE AND VOLUME INDEX

NUMBERS ON A BALANCE OF PAYMENTS BASIS

INDICES 1970 EQUALS 10

UNIT VALUES VOLUME

(NOT SEASONALLY ADJUSTED) (SEASONALLY ADJUSTED)

TERMS OF

EXPORTS IMPORTS TRADE EXPORTS IMPORTS

1976	240.6	300.3	80.1	136.6	134.3
1977	P 284.4	348.1	81.7	148.4	142.3
1977 I Q	274.5	341.4	80.4	141.9	142.4
II Q R	280.9	350.7	80.1	149.9	144.8
III Q R	288.4	353.6	81.5	153.7	142.0
IV Q R	293.9	346.6	84.8	148.0	139.9
1977 JULY R	283.9	356.5	79.6	153.5	149.3
AUG. R	289.4	352.9	82.0	152.0	131.9
SEPT R	291.8	351.4	83.0	155.7	144.9
OCT	293.1	349.5	83.9	150.0	140.4
NOV R	294.2	345.0	85.3	142.9	133.2
DEC P	294.5	345.4	85.3	151.2	146.2

P - PROVISIONAL ESTIMATES; R - REVISED ESTIMATES

5. TRADE IN PETROLEUM AND PETROLEUM PRODUCTS ON A  
BALANCE OF PAYMENTS BASIS

SEASONALLY ADJUSTED POUNDS MILLIONS

	BALANCE OF	TOTAL	TOTAL
	VISIBLE TRADE	IMPORTS	EXPORTS
	FOB	FOB	FOB
1976	- 3,960	5,121	1,161
1977	P - 2,792	4,745	1,953
1977 I Q R -	816	1,267	451
II Q R -	725	1,236	511
III Q R -	586	1,152	566

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IV Q P -	665	1,090	425
1977 JULY R -	199	372	173
AUG. R -	182	381	199
SEPT.R -	205	399	194
OCT. R -	231	373	142
NOV. R -	153	297	144
DEC. P -	281	420	139

P - PROVISIONAL ESTIMATES; R - REVISED ESTIMATES

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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014